GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DIRECTORATE OF EDUCATION
(PRIVATE SCHOOL BRANCH)
OLD SECRETARIAT, DELHI-110054

No. F.DE.15(248)/PSB/2021/ 4088-4093 **Dated:** 06/10/21

ORDER

WHEREAS, every school is required to file a full statement of fees every year before the ensuing academic session under section 17(3) of the Delhi School Education Act, 1973 (hereinafter read as ***'the Act'***) with the Director. Such statement will indicate estimated income of the school derived from fees, estimated current operational expenses towards salaries and allowances payable to employees etc in terms of Rule 177(1) of the Delhi School Education Rules, 1973 (hereinafter read as ***'the Rules'***).

AND WHEREAS, as per section 18(5) of the Act read with section 17(3), 24 (1) of the Act and Rule 180 (3) of the DSEA & R, 1973, responsibility has been conferred upon the Director (Education) to examine the audited financial, account and other records maintained by the school at least once in each financial year. The Section 18(5) and Section 24(1) of the Act and Rule 180 (3) have been reproduced as under:

Section 18(5): *'the managing committee of every recognised private school shall file every year with the Director such duly audited financial and other returns as may be prescribed, and every such return shall be audited by such authority as may be prescribed'*

Section 24(1): *'every recognised school shall be inspected at least once in each financial year in such manner as may be prescribed'*

Rule 180 (3): *'the account and other records maintained by an unaided private school shall be subject to examination by the auditors and inspecting officers authorised by the Director in this behalf and also by officers authorised by the Comptroller and Auditor-General of India.'*

AND WHEREAS, besides the above, the Hon'ble Supreme Court in the judgment dated 27.04.2004 passed in Civil Appeal No. 2699 of 2001 titled Modern School Vs. Union of India and others has conclusively decided that under section 17(3), 18(4) read along with rule 172, 173, 175 and 177 of the Rules, Directorate of Education has the authority to regulate the fee and other charges to prevent the profiteering and commercialization of education.

AND WHEREAS, it was also directed by the Hon'ble Supreme Court to the Director of Education in the aforesaid matter titled Modern School Vs. Union of India and others in Para 27 and 28 in case of Private unaided Schools situated on the land allotted by DDA at concessional rates that:

"27....

(c) It shall be the duty of the Director of Education to ascertain whether terms of allotment of land by the Government to the schools have been complied with...

28. We are directing the Director of Education to look into the letters of allotment issued by the Government and ascertain whether they (terms and conditions of land allotment) have been complied with by the schools.......

.....If in a given case, Director finds non-compliance of above terms, the Director shall take appropriate steps in this regard."

AND WHEREAS, the Hon'ble High Court of Delhi vide its judgement dated 19.01.2016 in writ petition No. 4109/2013 in the matter of Justice for All versus Govt. of NCT of Delhi and others has reiterated the aforesaid directions of the Hon'ble Supreme Court and has directed the Director of Education to ensure the compliance of term, if any, in the letter of allotment regarding the increase of the fee by all the recognized unaided schools which are allotted land by DDA/ land owing agencies.

AND WHEREAS, accordingly, this Directorate vide order No. F.DE.15 (40)/PSB/2019/2698-2707 dated 27.03.2019, directed that all the Private Unaided Recognized Schools running on the land allotted by DDA/ other Govt. agencies on concessional rates or otherwise, with the condition to seek prior approval of Director of Education for increase in fee, are directed to submit the their proposals, if any, for prior sanction for increase in fee for the session 2018-19 and 2019-20.

AND WHEREAS, in pursuance to order dated 27.03.2019 of this Directorate, **Adarsh World School (School ID-1821233), Sector-12, Dwarka, Delhi-110075** had submitted the proposal for fee increase for the academic session **2018-19**. Accordingly, this order is dispensed off the proposal for enhancement of fee submitted by the School for the academic session **2018-19**.

AND WHEREAS, in order to ensure that the proposals submitted by the schools for fee increase are justified or not, this Directorate has deployed teams of Chartered Accountants at HQ level who has evaluated the fee increase proposals of the school very carefully in accordance with the provisions of the DSEA, 1973, the DSER, 1973 and other orders/ circulars issued from time to time by this Directorate for fee regulation.

AND WHEREAS, in the process of examination of fee hike proposal filed by the aforesaid School for the academic session 2018-19, necessary records and explanations were also called from the school through email. Further, the school was also provided an opportunity of being heard on 20.11.2019 to present its justifications/ clarifications on fee increase proposal including audited financial statements and based on the discussion, school was further asked to submit necessary documents and clarification on various issues noted. During the aforesaid hearing compliances against order no. F.DE.15(228) PSB/2019/1210-1214 dated 29.03.2019 issued for academic session 2017-18 were also discussed and school submissions were taken on record.

AND WHEREAS, the reply of the school, documents uploaded on the web portal for fee increase together with subsequent documents/ clarifications submitted by the school were thoroughly evaluated by the team of Chartered Accountants. And based on evaluation of fee proposal of the school the key findings and status of compliance against order no. F.DE.15(228) PSB/2019/1210-1214 dated 29.03.2019 issued for academic session 2017-18 are as under:

A. Financial Discrepancies

1. As per direction no. 2 included in the Public Notice dated 04.05.1997, "*it is the responsibility of the society who has established the school to raise such funds from their own sources or donations from the other associations because the immovable property of the school becomes the sole property of the society*".

Additionally, Hon'ble High Court of Delhi in its judgement dated 30.10.1998 in the case of Delhi Abibhavak Mahasangh concluded that "*The tuition fee cannot be fixed to recover capital expenditure to be incurred on the properties of the society.*" Also, Clause (vii) (c) of Order No. F.DE/15/Act/2K/243/KKK/ 883-1982 dated 10.02.2005 issued by this Directorate states "*Capital expenditure cannot constitute a component of the financial fee structure.*"

Further, Rule 177 of DSER,1973 states "*income derived by an unaided private recognised school by way of fees shall be utilised in the first instance, for meeting the pay, allowances and other benefits admissible to the employees of the school. Provided that savings, if any, from the fees collected by such school may be utilised by its management committee for meeting capital or contingent expenditure of the school, or for one or more of the following educational purposes, namely award of scholarships to students, establishment of any other recognised school, or assisting any other school or educational institution, not being a college, under the management of the same society or trust by which the first mentioned school is run*".

The abovementioned savings shall be arrived at after providing for the following, namely:

a) Pension, gratuity and other specified retirement and other benefits admissible to the employees of the school;

b) The needed expansion of the school or any expenditure of a developmental nature;

c) The expansion of the school building or for the expansion or construction of any building or establishment of hostel or expansion of hostel accommodation;

d) Co-curricular activities of the students;

e) Reasonable reserve fund, not being less than ten percent, of such savings.

Based on the above-mentioned provisions, the cost relating to land and construction of the school building should be met by the society, being the property of the society not from the school funds.

During the FY 2017-18 the school has incurred Rs. 28,17,638 on renovation washroom and reported the same as revenue expenditure. While as per the details provided the by the school with respect to this expenditure it appears to be of capital nature. Which should either be met by the society based in above mentioned provisions or should be met of the out the savings of the school. For financial year 2017-18 the school has applied for fee increase proposal and the same was accepted by the Director of Education on the ground that the school did not have the sufficient fund to meet its operational expenditure.

Therefore, incurring of capital expenditure in the same financial year cannot be said the school has incurred these expenditures out the saving as provided in Rule 177 of the DSER, 1973.

Further, the school vide order no. F.DE.15(228) PSB/2019/1210-1214 dated 29.03.2019 issued for academic session 2017-18 post evaluation of fee increase proposal for the financial year 2017-18 was directed to recover Rs. 1,17,32,830 (net of Rs. 22,67,134 recovered from the society) from the society amounting for addition made to the building during the FY 2015-16. That is yet to recoverable from the society. Accordingly, the total amount incurred Rs. 1,45,50,468 has been included in the calculation of fund availability of the school with the direction to recover this amount from the society within 30 days from the issue of this order.

2. Clause 14 of DoE's Order No. F.DE./15 (56) /Act /2009 / 778 dated 11.02.2009 states "*Development fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, up gradation and replacement of furniture, fixtures and equipment. Development fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with and income generated from the investment made out of this fund, will be kept in a separately maintained Development Fund Account.*"

Further, para 99 of Guidance Note on Accounting by Schools (2005) issued by the Institute of Chartered Accountants of India specify the accounting treatment for specific funds. The GN-21 states "*Where the fund is meant for meeting capital expenditure, upon incurrence of the expenditure, the relevant asset account is debited which is depreciated as per the recommendations contained in this Guidance Note. Thereafter, the concerned restricted fund account is treated as deferred income, to the extent of the cost of the asset, and is transferred to the credit of the income and expenditure account in proportion to the depreciation charged every year.*"

Form the presentation made in the audited financial statements for FY 2016-2017 to 2018-19 submitted by the school, it has been noted that the school transferred an amount equivalent to the purchase cost of the assets from development fund to '*Fund Against Asset Account*' which is in the nature of fund utilisation accounts and adjusted the amount of depreciation directly from this account. Further, school did not transfer an amount to the credit of the income and expenditure account in proportion to the depreciation charged from the '*Fund Against Asset Account*' which is not in accordance with the accounting treatment as indicated in the GN-21 mentioned above.

It has also been noted that the school do not charge depreciation on assets purchased out the development fund to the Income and expenditure account. And the school has been reporting same amount of depreciation reserve fund of Rs.13,48,746 FY 2016-17 onwards.

Accordingly, the accounting treatment followed by the school does not fulfil with requirements of the aforesaid clause 14 of the order dated 11.02.2009 and GN-21 issued by the Institute of Chartered Accountant of India. by not transferring depreciation charged in the revenue accounts to depreciation reserve. Thus, the school is required to make necessary rectification entries relating to development collection and utilisation to comply with statutory and accounting treatment indicated in clause 14 of the order dated 11.02.2009 and the Guidance Note-21.

It has been also noted that the school incurred expenditure on construction of building of Rs 2,74,000, purchase of library books of Rs. 36,379 and purchase of car of Rs. 29,26,454 during FY 2016-2017 to 2018-19 and reflected the same as utilisation of development fund in the audited financial statements which is not in accordance with clause 14 of the order dated 11.02.2009. As per clause 14 of the order dated 11.02.2009 the development fund / fee can only be utilised for purchase upgrade and replacement of furniture fixtures and equipment and not for purchase of library books, science lab and car. The development fund not utilised in accordance with clause 14 of the order dated 11.02.2009 has been tabulated hereunder:

(Amount in Rs.)

Particulars	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**
Library Books	22,943	13,436	-
Science Lab	2,74,000	-	-
Car	-	6,00,000	23,26,454

It has also been observed that during the FY 2018-19, school purchased car for Rs. 23,26,454 by availing loan of Rs. 18,50,000. Thus, development fund of Rs. 23,26,454 which has been utilised by the school is recoverable from the society. Accordingly, it has been included in the calculation of fund available with the direction to the school to recover this amount from the society within 30 days from the date of issue of this order.

The financial statements of FY 2018-19 revealed negative balance of development fund by Rs. 12,42,674. During the personal hearing of the school, it explained that an expenditure of Rs. 13,60,125 was booked as expenditure in FY 2018-19 which was related to the FY 2019-20.

In view of the above, the school is directed to pass the necessary rectification entries in its books of accounts relating to development fund and ensuring with the compliance with clause 14 of the order dated 11.02.2009 and Para 99 of the GN-21 issued by the Institute of Chartered Accountants of India and not to charge development fund from students till the time compliance is ensured.

3. As per Accounting Standard 15 - 'Employee Benefits' issued by the Institute of Chartered Accountants of India states "*Accounting for defined benefit plans is complex because actuarial assumptions are required to measure the obligation and the expense and there is a possibility of actuarial gains and losses.*" Further, the Accounting Standard defines Plan Assets (the form of investments to be made against liability towards retirement benefits) as:
   a. Assets held by a long-term employee benefit fund; and
   b. Qualifying insurance policies

Para 57 of Accounting Standard 15 - 'Employee Benefits' issued by the Institute of Chartered Accountants of India, "*An enterprise should determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity* *that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date."*

From the documents submitted by the school and taken on record, it has been observed that total liability of the school as per LIC group gratuity Scheme as on 31.03.2019 was Rs. 34,26,292 toward gratuity and Rs. 8,28,447 was toward leave encashment respectively.

Against which the school has made an investment with LIC Rs. 32,96,528 towards gratuity and Rs.1,00,094 towards leave encashment that qualify as plan assts within the meaning of AS-15. Therefore, the actual amount invested by the school in plan assets has been considered while deriving the fund position of the school. Since, the entire amount invested by the school towards gratuity and leave encashment has been considered while deriving the fund position of the school. Therefore, expenditure booked by the school during the FY 2018-19 amounting to Rs. 42,54,739 has not been considered as expenditure to avoid the duplicity.

4. On review of audited financial statements for the FY 2017-18 and FY 2018-19, it is noticed that the school has incurred expenditure of Rs. 15,53,660 against mentor for activity and Rs. 3,07,283 against mentor for web design. The school has not provided any explanation and supporting documents for the expense incurred. Hence the total amount of Rs. 18,60,943 has been included in the calculation of fund availability of the school with the direction to recover this amount from the society within 30 days from the issue of this order.

B. Other Discrepancies

1. Rule 176 - 'Collections for specific purposes to be spent for that purpose' of the DSER, 1973 states "*Income derived from collections for specific purposes shall be spent only for such purpose.*"

Para no. 22 of Order No. F.DE./15(56)/ Act/2009/778 dated 11 Feb 2009 states "*Earmarked levies will be calculated and collected on 'no-profit no loss' basis and spent only for the purpose for which they are being charged.*"

Sub-rule 3 of Rule 177 of DSER, 1973 states "*Funds collected for specific purposes, like sports, co-curricular activities, subscriptions for excursions or subscriptions for magazines, and annual charges, by whatever name called, shall be spent solely for the exclusive benefit of the students of the concerned school and shall not be included in the savings referred to in sub-rule (2).*" Further, Sub-rule 4 of the said rule states "*The collections referred to in sub-rule (3) shall be administered in the same manner as the monies standing to the credit of the Pupils Fund as administered.*"

However, it has been noted that the school charges earmarked levies in the form of Transport fee, Smart Class Fees, Lab Fees, Web Development Fee and Activity Fees from students. During the personal hearing, the school explained that it has stopped providing transport fee from the FY 2017-18.

Also, earmarked levies collected from students are a form of restricted funds, which, according to Guidance Note on Accounting by Schools issued by the Institute of Chartered

Accountants of India, are required to be credited to a separate fund account when the amount is received and reflected separately in the Balance Sheet.

Further, the aforementioned Guidance Note lays down the concept of fund based accounting for restricted funds, whereby upon incurrence of expenditure, the same is charged to the Income and Expenditure Account ('Restricted Funds' column) and a corresponding amount is transferred from the concerned restricted fund account to the credit of the Income and Expenditure Account ('Restricted Funds' column).

However the school has not maintained separate fund accounts for the above mentioned earmarked levies and the school was directed by this directorate through its order no. F.DE.15(228) PSB/2019/1210-1214 dated 29.03.2019 issued for academic session 2017-18 to maintain separate fund account depicting clearly the amount collected, amount utilised and balance amount for each earmarked levy collected from students. The details of funds position for the three financial years as follows.

(Figures in Rs.)

Particulars	Smart Class Fees	Lab Fees	Web Development Charges	Activity Fees
For the year 2016-17				
Fee Collected during the year (A)	17,89,885	2,17,800	1,80,929	19,89,528
Expenses during the year (B)	18,75,022	4,09,320	3,88,129	20,09,009
Difference for the year (A-B)	**(85,137)**	**(1,91,520)**	**(2,07,200)**	**(19,481)**
For the year 2017-18				
Fee Collected during the year (A)	21,11,758	4,24,710	2,07,780	23,89,754
Expenses during the year (B)	21,05,770	4,73,314	3,25,283	25,25,405
Difference for the year (A-B)	**5,988**	**(48,604)**	**(1,17,503)**	**(1,35,651)**
For the year 2018-19				
Fee Collected during the year (A)	22,43,912	4,82,790	2,20,528	25,69,724
Expenses during the year (B)	23,50,430	7,93,582	1,00,000	34,63,741
Difference for the year (A-B)	**(1,06,518)**	**(3,10,792)**	**1,20,528**	**(8,94,017)**
Total	**(1,85,667)**	**(5,50,916)**	**(2,04,175)**	**(10,49,149)**

Further, as per the Duggal Committee report, there are only four categories of fee that can be charged by a school. The first category of fee comprises of "registration fee and all One Time Charges" which is levied at the time of admission such as Admission and Caution Money. The second category of fee comprise of "Tuition Fee" which is to be fixed to cover the standard cost of the establishment and also to cover expenditure of revenue nature for the improvement of curricular facilities like Library, Laboratories, etc., and Science and Computer fee up to class X and examination fee. The third category of the fee should consist of "Annual Charges" to cover all expenditure not included in the second category and the fourth category should consist of all "Earmarked Levies" for the services rendered by the school and to be recovered only from the 'User' students. These charges are Transport Fee, Swimming Pool Charges, Horse Riding, Tennis, Midday Meals etc.

Based on the aforesaid provisions, earmarked are to be collected only from the user students availing the services. And if the services are extended to all the students of the school, a separate charge should not be levied by the school as it would get covered either form the Tuition Fee or from Annual Charges. Therefore, the school is directed to stop collecting separate charges in the name of the "Smart Class Charges ".

2. Order No. F.D- 15/ ACT-I/ WPC-4109/ PART/ 13/ 461-465 dated 2 Feb 2017 issued to the school post evaluation of proposal for enhancement of fee for FY 2016-2017 noted that the general ledgers provided by the school did not contain any opening balance. Further, it was noted that the school had not provided reconciliation of closing balances as appearing in the audited financial statements with the books of accounts. Also, the school had not provided cash book and bank book for review. It was also noted that the school had received voluntary contribution of INR 13,30,000 in cash. Further, it was noted that the school had received loan from Manager in cash.

   The school did not provide requisite documents or justification for the above-mentioned irregularities. Compliance of the above points will be ensured at the time of evaluation of subsequent fee increase proposal.

3. As per para 67 of the Guidance Note on Accounting by Schools issued by the Institute of Chartered Accountants of India, *"The financial statements should disclose, inter alia, the historical cost of fixed assets."*

   On review of audited financial statements for the FY 2016-17, FY 2017-18 and FY 2018-19, it is noted that the school has presented fixed assets at Written Down Value on the face of the Balance Sheet and the fixed asset schedule annexed to the financial statements are also reflected only the written down value of the assets. The fixed asset schedule did not disclose opening gross block of assets, closing gross block of the asset, opening depreciation reserve and closing depreciation reserve.

   The school is hereby directed to prepare financial statements, fixed asset schedule that disclose the historical cost of fixed assets in accordance with the Guidance Note on Accounting by Schools.

4. As per Section 18(5) of the DSEA, 1973, the management committee of every recognised private school shall file every year with the Director such duly audited financial and other returns as may be prescribed, and every such return shall be audited by such authority as may be prescribed.

   Further, Rule 180 of DSER, 1973 states " (1) every unaided recognised private schools shall submit the returns and documents in accordance with Appendix-1, (2) Every return or documents referred to in sub-rule (1), shall be submitted to the Director by the 31st day of July of each year.(3) The account and other records maintained by an unaided private school shall be subject to examination by the auditors and inspecting officers authorised by the Director in this behalf and also by any officers authorised by the Comptroller and Auditor General of India"

   And Section 24 (2) of DSA. 1973 states "The Director may arrange special inspection of any school on such aspects of its working as may, from time to time, be considered necessary by him".

Whereas Appendix-II to Rule 180 specify that "final accounts i.e. receipts, and payment account, income and expenditure and balance sheet of the preceding year should be duly audited by Chartered Accountant.

And It has been noticed that Financial Documents/ Certificates Attested by third person misrepresenting themselves as CA Members are misleading the Authorities and Stakeholders. ICAI is also receiving number of complaints of signatures of CAs being forged by non CAs.

To curb such malpractices, the Professional Development Committee of ICAI has come out with an innovative concept of UDIN i.e. Unique Document Identification Number which is being implemented in phased manner. It will secure the certificates attested/certified by practicing CAs. This will also enable the Regulators/Banks/Third parties to check the authenticity of the documents.

Accordingly, the Council in the 379th meeting of ICAI held on 17.12.2018 and 18 .12. 2018, made mandatory for all practicing member to obtain 18 digits UDIN before issuing any audits reports/ certification etc. in the following manner:

- All Certification done by Practising CAs w.e.f. 01.02.2019.
- All GST & Tax Audit Reports w.e.f. 01.04.2019.
- All other attest functions w.e.f. 01.07.2019.

However, on examination of the financial statements submitted by the school for evaluation of fee increase proposal of FY 2019-20, it been has observed that the financial statements of the school were certified by the Chartered Accountant without mentioning the UDIN as required by the council. This being the procedural finding therefore, the school management are instructed to ensure this compliance from the Auditor of the school.

After detailed examination of all the material on record and considering the clarification submitted by the school, it was finally evaluated/ concluded that:

i. The total available funds for the year 2018-19 amounting to Rs. **7,64,05,803** out of which cash outflow in the year 2018-19 is estimated to be Rs. **5,96,51,117**. This results in net surplus amounting to Rs. **1,67,54,686**. The details are as follows:

Particulars	**Amount (In Rs.)**
Cash and Bank balances as on 31.03.18 as per Audited Financial Statements of FY 2017-18	15,53,655
Investments as on 31.03.18 as per Audited Financial Statements of FY 2017-18	24,83,665
Liquid Fund as on 31.03.2018	**40,37,320**
Add: Additions to building in contravention of Clause 2 of Public notice dated May 4th, 1997 in the FY 2017-18 should be recoverable from the society. (Refer Financial Discrepancies No.1)	1,45,50,468
Add: Recovery from society due to misutilisation of development fund. (Refer Financial Discrepancies No. 2)	23,26,453

Particulars	Amount (In Rs.)
Add: Recovery of the amount paid towards mentor for activity and web design. (Refer Financial Discrepancies No. 4)	18,60,943
Add: Fees for FY 2018-19 as per Audited Financial Statements (Refer Note 1)	5,66,63,657
Add: Other income for FY 2018-19 as per audited Financial Statements	3,63,583
Total Available Funds for FY 2018-19	**7,98,02,425**
Less: Development Fund	-
Less: Staff retirement benefits- Gratuity and Leave Encashment (Investments with LIC)	33,96,622
Net Available Funds for FY 2018-19	**7,64,05,803**
Actual Expenses for the FY 2018-19 (Refer Note 2)	**5,96,51,117**
Net Surplus	**1,67,54,686**

Note 1: Fee and income as per audited financial statements FY 2018-19 has been considered. Further the contribution from society of Rs.4,76,454 and short and excess of Rs.1,23,560 are not considered as these incomes are not regular income of the school.

Note 2: During the evaluation of fee increase proposal for the FY 2018-19, the school has provided details of 7th CPC arrears for the period Jan 2016 to Mar 2019 amounting to Rs. 3,24,45,452. However, this was not provided in the financial statements of the school. Further, this was not passed in SMC meeting.

Note 3: The following expenses are not considered in the determination of fee increase for the FY 2018-19.

Particulars	Amount in Rs.	Remarks
Provision for Gratuity	34,26,292	Refer Financial Discrepancies no.3
Provision for Leave Encashment	8,28,447	
Depreciation	9,30,984	Depreciation being non-cash expense, it would not result in cash outflow. Thus, it has not been considered.

ii. The school has sufficient funds to carry on the operation of the school for the academic session 2018-19 on the existing fees structure. In this regard, Directorate of Education has already issued directions to the schools vide order dated 16.04.2010 that,

"All schools must, first of all, explore and exhaust the possibility of utilising the existing funds/ reserves to meet any shortfall in payment of salary and allowances, as a consequence of increase in the salary and allowance of the employees. A part of the reserve fund which has not been utilised for years together may also be used to meet the shortfall before proposing a fee increase."

AND WHEREAS, in the light of above evaluation which is based on the provisions of DSEA, 1973, DSER, 1973, guidelines, orders and circulars issued from time to time by this Directorate, it was recommended by the team of Chartered Accountants that along with certain financial and other irregularities that were identified (appropriate financial impact of which has been taken on the fund position of the school) and certain procedural findings which were also noted (appropriate instructions against which have been given in this order), that the sufficient funds are available with the school to carry out its operations for the academic session 2018-19. Accordingly, the fee increase proposal of the school may be rejected.

AND WHEREAS, it is also noticed that the School has incurred Rs. 1,45,50,468 for upgrading capital assets and building out of the school fund which is not in accordance with clause 2 of public notice dated 04.05.1997 and Rule 177. Further, the school has incurred Rs. 23,26,454 out of development fund in contravention of clause 14 of the order dated 11.02.2009 and Rs. 18,60,943 towards mentoring for activity and web design. Thus, the school is directed to recover Rs. 1,87,37,865 from the society. The amount of above receipt along with copy of bank statement showing the receipt of above-mentioned amount should be submitted with DoE, in compliance of the same, within thirty days from the date of issuance of this order. Non-compliance of this shall be taken up as per DSEA&R, 1973.

AND WHEREAS, recommendation of the team of Chartered Accountants along with relevant materials were put before the Director of Education for consideration and who after considering all the material on the record, and after considering the provisions of section 17 (3), 18(5), 24(1) of the DSEA, 1973 read with Rules 172, 173, 175 and 177 of the DSER, 1973 has found that the school has sufficient funds for meeting financial implication for the academic session 2018-19. Therefore, Director (Education) has rejected the proposal submitted by the school to increase the fee for the academic session 2018-19.

Accordingly, it is hereby conveyed that the proposal of fee increase for academic session 2018-19 of **Adarsh World School (School ID-1821233), Sector-12, Dwarka, Delhi-110075,** is rejected by the Director of Education.

Further, the management of said school is hereby directed under section 24(3) of DSEA 1973 to comply with the following directions:

1. Not to increase any fee in pursuance to the proposal submitted by school on any account for the academic session 2018-19 and if the fee is already increased and charged for the academic session 2018-19, the same shall be refunded to the parents or adjusted in the fee of subsequent months.

2. To communicate the parents through its website, notice board and circular about rejection of fee increase proposal of the school by the Directorate of Education.

3. To rectify all the financial and other irregularities/violations as listed above and submit the compliance report within 30 days to the D.D.E (PSB).

4. To ensure that the salaries and allowances shall come out from the fees whereas capital expenditure will be a charge on the savings in accordance with the principles laid down by Hon'ble Supreme Court of India in its Judgment of Modern School vs Union of India.

Therefore, school not to include capital expenditure as a component of fee structure to be submitted by the school under section 17(3) of DSEA, 1973.

5. To utilise the fee collected from students in accordance with the provisions of Rule 177 of the DSER, 1973 and orders and directions issued by this Directorate from time to time.

6. In case of submission of any proposal for increase in fee for the next academic session, the compliance of the above listed financial and other irregularities/violations will also be attached.

Non-compliance of this order or any direction herein shall be viewed seriously and will be dealt with the provision of section 24(4) of DSEA, 1973 and DSER, 1973.

This order is issued with the prior approval of the Competent Authority.

(Yogesh Pal Singh)
Deputy Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi

To:

The Manager/ HoS
Adarsh World School (School ID-1821233),
Sector-12, Dwarka,
Delhi-110075
No. F.DE.15(248)/PSB/2021/ 4088-4093 Dated: 06/10/21

Copy to:

1. P.S. to Principal Secretary (Education), Directorate of Education, GNCT of Delhi.
2. P.S. to Director (Education), Directorate of Education, GNCT of Delhi.
3. DDE (South West-B) to ensure the compliance of the above order by the school management.
4. In-charge (I.T Cell) with the request to upload on the website of this Directorate.
5. Guard file.

(Yogesh Pal Singh)
Deputy Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi